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European Union Leadership and Enlargement in 2014

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EU Leadership and Enlargement in 2014

by Beverly Barrett*

On July 15, 2014 the European Parliament confirmed the new European Commission President. An absolute majority was needed for this purpose, and the 422 votes “For” cleared the 376-vote threshold in the legislative body of 751 members. A Grand Coalition has been formed among the three largest political parties: the European People’s Party (EPP), the Progressive Alliances of Socialists Democrats (S&D), and the Alliance of Liberals and Democrats for Europe (ALDE). Considering policy decisions going forward, the European Union (EU) faces the pressing question: Will there be more, less, or similar power from the EU? There are a greater number voices from across the political spectrum contributing to the democratic plurality. European leaders may regain trust by acknowledging that future governance will not be “business as usual” as the reform agenda gets underway.

2014 has been an exciting and important year in European politics. “This time is different” was the motto for the European Parliament’s election campaign. This essay analyzes recent EU political trends with the new Commission leadership and the Parliamentary elections results. The Parliamentary elections, held in late May, and the new European Commission, planned to be in place in the autumn, influence the leadership direction of the 28-member bloc. Additionally, this year on July 1 Croatia celebrated the first anniversary of joining the EU in 2013. Leading the way for candidate countries, Croatia embraces the democratic politics and capitalist market economics embodied by the EU.

The greater number of seats held by newer political parties in the European Parliament demonstrates increasing plurality in the EU democracy. The Parliamentary elections have taken place every 5 years since 1979. In this eighth legislative session, the EPP and the S&D remain the largest parties represented, with 221 and 191 seats respectively. As the EU has evolved, a greater number of voices influence politics. The ongoing point of contention on a host of policies is national sovereignty in relation to pooled sovereignty in the EU. The European Parliament is important for democracy in EU governance since it is the direct link from the national citizens to their elected leaders at the supranational level. The representatives of the European Commission are appointed by the national governments of Member States, and their heads of government are the representatives to the European Council. These three political institutions – the European Parliament, the European Commission, and the European Council – together with other important institutions, including the European Court of Justice Luxembourg, form the EU.

The new European Commission President is Jean-Claude Juncker, former Prime Minister and Minister of Finance of Luxembourg (1995-2013). After being nominated by the European Council on June 27, his candidacy was voted on by the European Parliament on July 15, according to the guidelines of the Lisbon Treaty. The leadership for the President of the European Commission has been an important issue, considering Britain’s deliberations on whether or not to stay in the EU in the face of a future national referendum. Voting on June 27, among the European Council on the nomination of Commission President-Designate Juncker, was 26 in favor and 2 opposed. Only Viktor Orbán, the prime minister of Hungary, joined David Cameron, the prime minister of the United Kingdom (UK), with a negative vote (Spiegel and Parker 2014). The UK

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had not been supportive, being concerned that Juncker embraces the policies of a federalist, prioritizing an ever-closer union above the interests of individual Member States. Historically, since joining the predecessor institution of the European Economic Community in 1973, the UK has had a relatively independent attitude about participation in the EU.

The New Commission Leadership

Juncker has been described as a federalist favoring closer integration of the EU (Parker 2014). The UK leadership has been contrary to this policy orientation, reflecting domestic debates about national sovereignty in relation to the EU. To understand the origins of Juncker's political leanings, consider his country Luxembourg, which is among the smallest Member States that rely on the EU to ensure that they are not overpowered by larger Member States. Juncker has been described as a pragmatist and dealmaker, given that in Luxembourg he satisfied the two very different constituencies of foreign bankers who wanted low taxes and public servants who wanted benefits. Juncker's effectiveness as a dealmaker may be useful for the EU (*Financial Times* 2014). Whether Juncker will be reformer for the EU in economics – concerning the Stability and Growth Pact and taxation reform - and in social issues – such as migration policy – remains to be seen.

In forming the new European Commission leadership, several notable issues have been forefront. As well as concerns about the allegiances of Member States, particularly the UK, attention has been given to the representation of women in proposing national candidates for the College of the Commission. After the European Parliament approved the new President of the Commission on July 15, the following day the national leaders in the European Council summit discussed the portfolios to be assigned to European Commissioners. There are 28 Commissioners, one nominated by the government from each of the Member States. Once they are confirmed as part of the Commission, they serve in a collective body beyond national representation. After meeting on July 16, the European Council needed more time to confer regarding the Commission portfolios and the new positions of President and Vice-President for its own body, and it planned to meet again on August 30, 2014.

The week prior to the confirmation, Androulla Vassiliou, the previous Education Commissioner, encouraged the Commission President-Designate Jean-Claude Juncker to assign at least ten women candidates to portfolios (Kroet 2014). The College of the Commission for 2007-2014 has included nine women, and there is pressure to maintain or to increase this representation going forward. Commissioner Vassiliou, representing Cyprus and leading the Directorate General for Education, Culture, Multilingualism and Youth, made public the draft of the letter from the women members of the Commission to Juncker. Part of this letter reads as follows (Kroet 2014):

The European Union is committed to making continual progress towards gender equality. Such progress demands an increase, not a decrease in the number of female Commissioners, particularly as we have grown to be a family of 28 Member States.

As the lead candidate for the center-right European People's Party (EPP), which won the majority of the votes in the May 2014 elections, Juncker referred to himself as the most democratically suitable candidate. When asked by Eurosceptic leaning Members of European Parliament (MEPs) about an ever-strengthened union, Juncker took a balanced approach and denied being committed to a "United States of Europe." "European nations have to be respected,

I don't believe in a United States of Europe," said Juncker (Parker 2014). While welcoming the UK's active involvement in the EU, Juncker recognized that Member States have the prerogative to retain policy competencies (Parker 2014). The new European Commission President stated that national allegiances are stronger than European allegiances. This has been intended to be a reassurance to the UK that he will be a pragmatic leader for all of the Member States.

The 2014 Parliamentary Elections

July 1, 2014 marked the beginning of the eighth five-year term for the European Parliament. The EU-wide elections took place, between May 22 and 25, with approximately 43 percent voter turnout. This figure is moderately strong, and it is higher than the UK's national turnout of 36 percent.¹ However, in 1979 the voter turnout was greater than 60 percent for the first direct democratic election of MEPs (*The Economist* 2014). As voter turnout has declined over the years, misunderstanding of the EU has increased, reports Eurobarometer. Therefore, the task ahead for the EU is to regain the trust from the people, as the elite institution has historically suffered from a democratic deficit (Youngs 2014)

These were the first elections to take place since Lisbon Treaty went into effect in December 2009. The Treaty has given the European Parliament new powers over the EU budget and authority to ratify trade agreements. While the European Commission retains the power for legislative initiative, the European Parliament has been given the power to request a legislative proposal from the Commission. Additionally, Member States and external organizations request legislative proposals.

The European Parliament today is more diverse, with the largest parties having lost seats in the recent elections. The EPP is still the largest party in Parliament, while the number of seats has been reduced by 53 seats lost from a previous majority position of 273 seats. The Social and Democratic Party S&D, still the second largest party, lost 6 seats. In the 2014-2019 Parliament the EPP has a total of 221 seats, and the S&D has 191. Together, they hold 412 seats, which gives them a 36 seats margin for a majority in Parliament. 376 seats make the governing coalition, with one more than half of the 751 MEPs.

The two largest European political parties, the EPP and the S&D, have formed a Grand Coalition together with the ALDE political party for the purposes of electing the European Commission President. The priorities for the EPP are a digital single market; a European energy union; a successful trade agreement with the United States (TTIP); a reform of the monetary union; and a resolution to the UK's concerns on EU membership. The Social and Democratic Party (S&D) party emphasizes the importance of flexibility in the EU's fiscal policies (particularly the Stability and Growth Pact of 2013) and a reform of Europe's migration policy (EurActiv 2014a). Both in the United States and Europe, where German leaders have raised concern about a refugee crisis this summer, there are pressing migration policy concerns (EurActiv 2014b).

The 751 Members of European Parliament (MEPs) sit together by party, rather than by country. They meet in Brussels, Belgium for committee and Commission-related meetings, and they meet in Strasbourg, France historically for plenary sessions. The predecessor legislative body of Common Assembly met in Strasbourg, and the larger 47-member Council of Europe is based there as well. In addition to the EPP, the S&D, and the ALDE, the diversity of political parties in today's Parliament includes the European Conservatives and Reformists (ECR), European United

¹ Ian Traynor. 2014. "Front National wins European Parliament elections in France." *The Guardian*. May 25, 2014. Available from: <http://www.theguardian.com/world/2014/may/25/france-national-front-win-european-elections>

Left – Nordic Green Left (GUE-NGL), Greens and Europe Free Alliance (Greens-EFA), and Europe of Freedom and Direct Democracy (EFDD). On July 1, the opening day of the new Parliament, the MEPs reelected Martin Schulz to be Speaker of European Parliament. Schulz is from Germany, the country with the largest population and democratic representation of 96 seats, and previously he was the leader of the S&D party. The speaker serves for two-and-a-half years, his reelection and representation of the S&D party confirms a customary distribution of leadership with the more conservative EPP, which holds the Commission Presidency.

On November 19, 2013 the previous European Parliament approved the EU's seven-year Multiannual Financial Framework (MFF) for 2014-2020. As this was negotiated by European leaders in late 2012 and throughout 2013, there was pressure on the EU to reduce spending given the austerity programs in Member States. The EU spent approximately €1 trillion over seven years, or approximately €135 billion each year, in the previous MFF budget cycle. Structural and Cohesion Funds are an important part of the MFF, accounting for approximately 35 percent of the overall budget with €376 billion over seven years, and are second highest in overall budget allotment after the common agricultural policy and rural development allotment (European Union 2013). These funds support regional development, particularly in new Member States. Considering prospects for EU Enlargement, new Member States have benefitted from the economic and political support manifested in the EU membership.

The Impact of European Enlargement

In this second decade of the 21st century, following the previous decade with the largest historical enlargement of 12 Members States total (ten in 2004 and two in 2007)², Croatia leads the Balkan countries for integration into the EU. Among the population of approximately 15 million in the Balkan states, there are six countries still outside of the EU. Montenegro, Serbia, and the Former Yugoslav Republic of Macedonia are official EU candidate countries in this region. Albania, Bosnia and Herzegovina and Kosovo are not official EU candidate countries.

The president of the newest Member State, Croatia, Ivo Josipović, explained what makes the EU attractive to new Member States (2014). The values of participatory democracy and open economic markets are paramount. The support for human rights and the commitment to political security based in democracy are attractive to the Balkan countries, which experienced the brutality of the Yugoslav Wars (1991-1999) only two decades ago. With the memories the war still strong, Croatia is encouraging neighboring countries to reform and to embrace European values. President Josipović reminded that even though the EU has experienced economic crisis recently, it will continue to develop strongly. The EU was born out of crisis with the European Coal and Steel Community (ECSC), which was created with the Treaty of Paris in 1951 in post-War Europe. Therefore, crises are opportunities for international cooperation (Josipović 2014).

The Balkan state members of NATO, Albania and Croatia, joined the military security bloc in 2009. Josipović identified two competitive advantages of Croatia: ensuring security protection in the region and as an international energy market hub. As the only Balkan country that is a member of both the EU and NATO, Croatia is in a unique position to contribute to security in the region. Croatia serves as an advocate for its neighboring countries to be accepted into both groups (Josipović 2014). The President said, "Europe must become complete." Importantly, he mentioned that Bosnia-Herzegovina is not yet ready, and must address its domestic political concerns. Acknowledging the international economic and military assistance

² 2004 new Member States: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. 2007 new Member States: Bulgaria and Romania.

that was beneficial for Croatia after the Yugoslav Wars, Josipović explained that Croatia has contributed assistance in Afghanistan to support peace and human rights abroad.

Beyond international security cooperation, international economic concerns, notably in the energy sector, are of key interest for Croatian foreign policy. The TTIP is important to strengthen economic ties between the United States and the EU, Josipović acknowledged as negotiations are in their second year. Europe should not be dependent on Russian energy, and Josipović said that Croatia welcomes Poland's initiatives towards energy independence. Croatia will have an important role, through infrastructure, at ports and with pipelines, to support energy independence in Europe. The new liquefied natural gas (LNG) terminal has large capacity at Omisalj on the island of Krk. This enables the vision for Croatia to become "the door to energy in Europe" (Josipović 2014). Underscoring his optimistic perspective, Josipović said that optimism is necessary for success.

Summary

This essay has discussed headline political developments in the EU thus far in 2014: The European Parliament elections, the direction of EU leadership, and ongoing enlargement. As a year when the EU has elected the new European Parliament, which confirms the new European Commission, it is an important year in European politics. Regarding the election of a more diverse group of MEPs, "Eurosceptics rocked the boat, but old guards still captain the ship," noted the FTI Consulting firm in Brussels.

After Greece's presidency of the European Council in the first semester of 2014, since July 1 the Italian Presidency leads in this second half of this year. Priorities for the Italian presidency are the EU institutional governance, external action and trade, industrial policy to grow small and medium-size enterprises (SMEs), migration policy, taxation reform, and attention to the World Expo 2015 in Milan (Guicciardi 2014). As a founding EU Member State in the European Coal and Steel Community formed in 1951, Italy has the historical experience to work effectively within the union. Big questions remain for the future of EU. Is the "European project" delivering what it has been intended to deliver? And, what is the reform agenda? As the new College of the Commission and the European Parliament take their places, the vigorous debates will be underway to answer these questions regarding more, less, or similar power from the European Union in the future.

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